

APPRAISER LICENSING AND CERTIFICATION BOARD
HEBER M. WELLS BUILDING
ROOM 210
January 25, 2012
9:00 A.M.
TELEPHONIC MEETING

MINUTES

STAFF MEMBERS PRESENT

Jonathan Stewart, Division Director
Kent Nelson, Chief Investigator
Dee Johnson, Assistant Chief Investigator
Xanna Hardman, Assistant Attorney General
Jennie Jonsson, Hearing Officer
Renda Christensen, Board Secretary
Carla Westbroek, Appraisal Education/Licensing Specialist
Jim Bolton, Investigator
Craig Livingston, Investigator

BOARD MEMBERS PRESENT

Craig Morley, Chair
Paul Throndsen, Vice Chair
Debra Sjoblom, Board Member
Jeanette Payne, Board Member
Daniel Brammer, Board Member

GUESTS

Vern Meyer
Blake Ingram

The January 25, 2012 meeting of the Appraiser Licensing and Certification Board began at 9:00 a.m. with Chair Morley conducting.

Mr. Fagergren will be excused from the meeting today. Ms. Westbroek will be giving the education and licensing report.

PLANNING AND ADMINISTRATIVE MATTERS

A motion was made to accept the minutes from the December 14, 2011 meeting as written. Vote: Chair Morley, yes; Vice Chair Throndsen, yes; Board Member Payne, yes; Board Member Brammer, yes; Board Member Sjoblom, yes. Motion carries.

DIVISION REPORTS

DIRECTOR'S REPORT – Jonathan Stewart

Director Stewart said that Mr. Fagergren will be excused from the meeting today. In his place, Ms. Westbroek will be giving the education and licensing report today.

The Legislature started its session last Monday, and we are very close to finalizing the bill, and we expect to have a number for our bill soon.

The Division will be running some new Public Service Announcements (“PSA”) on the major television stations (Comcast; KUTV Channel 2; KTVX Channel 4; and Channel 13 KSTU) for three months. They should start as early as this week. The PSA basically tells viewers that while it may be a good time to purchase a home, they need to make sure they are using a licensed professional. The PSAs have also been sent to our IT Department to be placed on our website, and should be up very soon.

Director Stewart told the Board the Division will be undergoing a construction period beginning the week of March 12, 2012. The Division will be getting new carpeting and cubicles. We will try our best to be available to the public through telephone and e-mail, but we do ask that everyone be patient with us through this transition.

This last week Board Member Brammer sent Director Stewart some information from the Appraisal Institute about the separation of appraisal and appraisal management fees on settlement forms. Director Stewart read a few sections he thought the Board would want to hear.

“In November, the Appraisal Institute and the American Society of Farm Managers and Rural Appraisers urged the Consumer Financial Protection Bureau (CFPB) to separate appraisal fees and appraisal management fees on applicable settlement forms.”

“The Dodd-Frank Act authorizes, but does not require, separation of appraisal and appraisal management fees on these loan documents. The CFPB is studying this issue and likely will issue a Notice of Proposed Rulemaking in the summer of 2012 and also will be seeking public comment.”

“It appears that the CFPB has three options under consideration: 1) Do nothing and continue to allow bundling of appraisal fees and appraisal management fees (despite the separation authorization in the Dodd-Frank Act); 2) Provide a new line on the Consumer Disclosure Form, but not require the fees be separated; or 3) Provide a new line and require separation of the fees.”

“The Appraisal Institute believes that appraisal management is a different service than appraisal services and has advocated for clear separation of fees on the new Consumer Disclosure Form. We encourage members to weigh in to this effect during the upcoming public comment periods seeking feedback on the new form.” Director Stewart said that we encourage our Utah appraisers to provide comments during the comment period anticipated for the summer of 2012.

Director Stewart spoke with Chair Morley last night about an issue that has come up recently. The basic scenario is that an offer is accepted on a home, sometimes with back-up offers, and the appraisal comes in low when it is supposed to be a market sale. The UAR has also approached Director Stewart about this issue, and we will review the information as a Division, to see if there is anything the Division can do to assist with this problem.

ENFORCEMENT REPORT – Kent Nelson

Mr. Nelson reported in the month of December the Division received 14 complaints; opened 11 cases; closed 7 cases; leaving the total number of open appraiser cases at 70. He said the investigators are doing a good job at keeping the numbers low.

There is one enforcement stipulation for review today: Michael D. Junkins. Mr. Junkins is not present today and did not express any interest in being here.

Mr. Livingston reported to the Board that the Division received a case in May of 2011 concerning a Matt Martin Real Estate Company. Enforcement opened a case in August concerning an AMC issue, and we found out that the company was not registered as an AMC in Utah. A request was sent to the company that the Division wanted the company to register as an AMC. We received notification from their attorney that the company thought they didn't meet the criteria for registering in Utah. Enforcement met with Director Stewart, Ms. Jonsson, Ms. Hardman, and Ms. Jensen from the Attorney General's Office, and the outcome was that we believe they do meet the criteria. The comments went back and forth between the company and the Division until January of this year, when the company did register as an AMC in Utah. The important thing about this is that Matt Martin is a large national real estate company. To date, however, Utah is the only state requiring them to be registered.

EDUCATION AND LICENSING REPORT – Carla Westbroek

In November 2011, Warren Hutchinson's name was submitted to the Board for approval to take the certified general appraiser examination. This was a typographical error. Mr. Hutchinson actually applied for, and was approved to sit for, the certified residential appraiser test. He did take and pass the test as a certified residential, which was the correct designation for him, but at the time the Board approved him as a certified general. Ms. Westbroek wanted to make sure the Board was aware of the error, and asked that it be added to the minutes of this meeting as a correction. The Board agreed with the recommendation.

Alpha Appraisal Management was approved in December, and Mr. Fagergren wanted the Board to know that Pamela Johnson, who is the main control person, was brought before the Board a few years ago. She is a licensed certified residential in Utah, and this is a state company. Ms. Johnson was disciplined in Georgia and her license there was revoked in 2006. The Board was made aware of this, and the Division had a Stipulation & Order against her, which she met, and is currently licensed. Mr. Fagergren wanted Ms. Westbroek to bring this to the Board for information only at this time.

There is one licensing stipulation for review: Thomas O. Harward. Mr. Harward is not present today and he did not express any interest in being here.

Ms. Westbroek presented the following lists to the Board:

Certified and Licensed Appraiser Applicants Approved by both Education and Experience Review Committees:

Scott G. Hallows, CG candidate

Lori Windorski, CG candidate

Evon Waters, CR candidate

Certified and Licensed Appraiser Applicants Approved by Education Review Committee and Denied by Experience Review Committee:
Bradford B. Dyreng, LA candidate

Discipline List for Board's Consideration:
Troy Campbell, CR renewal

COMMISSION AND INDUSTRY ISSUES

Discussion: Update on Proposed Rules – Jennie Jonsson
Ms. Jonsson said there are no rules out for public comment.

Discussion: Transcontinental Valuation's Request for Reduction in Fine: This is an AMC the Division worked with over a long period of time, trying to get them to complete their registration. When they failed to do so after missing several deadlines, and after several agreements had lapsed, the Division brought a case to the Board in a hearing on an order to cease and desist. Transcontinental Valuation failed to appear at the hearing and a notice of default was issued with a civil penalty imposed. The company recently contacted the Division and requested the fine imposed in that proceeding be waived, and they have agreed to complete their registration. The Division has objected to the waiver of all of the fine, given the track record of their failing to meet deadlines, failing to respond, and failing to complete their registration in a reasonable amount of time. We will leave this to the Board as to how to respond to that request.

A motion was made to close the meeting for the sole purpose of discussing the character, professional competence or physical or mental health of an individual. Vote: Chair Morley, yes; Vice Chair Throndsen, yes; Board Member Sjoblom, yes; Board Member Payne, yes; Board Member Brammer, yes. An Executive Session was held from 9:30 a.m. to 10:20 a.m.

CLOSED TO PUBLIC

Consideration of Stipulations
Review of Lists

OPEN TO PUBLIC

The Board agreed with the Committee on their decisions:
Certified and Licensed Appraiser Applicants Approved by both Education and Experience Review Committees:
Scott G. Hallows, CG candidate - Approved
Lori Windorski, CG candidate - Approved
Evon Waters, CR candidate - Approved

Certified and Licensed Appraiser Applicants Approved by Education Review Committee and Denied by Experience Review Committee:
Bradford B. Dyreng, LA candidate - Denied

Discipline List for Board's Consideration:

Troy Campbell, CR renewal – Approved for renewal. The Board has asked the Division to open an investigation regarding Mr. Campbell's disclosures.

Results of Stipulations

Michael D. Junkins – Approved

Thomas O. Harward - Approved

A motion was made to adjourn the meeting. Vote: Chair Morley, yes; Vice Chair Throndsen, yes; Board Member Sjoblom, yes; Board Member Payne, yes; Board Member Brammer, yes. The motion carries. The meeting adjourned at 10:21 a.m.